

# NEWS RELEASE

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For Immediate Release  
October 6, 2005

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## **Former Illinois Lottery Winner Convicted of Lying to Bankruptcy Court**

Springfield, Illinois -- A federal jury has convicted a Washington woman for making a false statement while under oath in a bankruptcy proceeding in central Illinois, as announced by Jan Paul Miller, United States Attorney for the Central District of Illinois.

The jury deliberated for approximately one hour before returning the guilty verdict against Karen Diane Cohen, age 53, of Edmonds, Washington. The trial began on Monday, October 3, 2005, before U.S. District Judge Jeanne E. Scott, who scheduled sentencing for February 10, 2006, at 1:30 p.m. The maximum statutory penalty for making a false statement is up to five years imprisonment and a fine of up to \$250,000.

Evidence presented by the government at trial showed that in June 1982, Cohen, who lived in Lincoln, Illinois at the time, won \$1,000,000 playing the Illinois State Lottery. The winnings were paid in 20 annual installments of \$50,000. When Cohen and her husband divorced in 1984, the settlement included a court order requiring Cohen to pay her ex-husband \$9,000 from each annual lottery payment.

Evidence was also presented to show that when Cohen filed for personal bankruptcy in 2000, she sought to discharge her obligation to pay her ex-husband his remaining portion of the Lottery winnings for 2000 and 2001, when the last Lottery payment was due.

The jury found that in December 2000, during a hearing before U.S. Bankruptcy Judge Larry Lessen, in the Central District of Illinois, Cohen lied when she said she had not received the checks for her ex-husband's share of the lottery proceeds in 1997 and 1998. Based on Cohen's statements, the bankruptcy judge discharged Cohen's debt to her ex-husband for 2000 and 2001.

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The charge is the result of a referral by Bankruptcy Judge Larry Lessen and an investigation by the Federal Bureau of Investigation in coordination with the Central Illinois Bankruptcy Fraud Working Group. Members of the Bankruptcy Fraud Working Group include representatives of the U.S. Attorney's Office for the Central District of Illinois, U.S. Trustee's Office for Region 10, Federal Bureau of Investigation, Secret Service, U.S. Postal Inspection Service, the Criminal Investigation Division of the Internal Revenue Service, the Department of Health and Human Services and the Department of Housing and Urban Development. Assistant U.S. Attorney Gregory K. Harris and John Childress are prosecuting the case.

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